

Message Text

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PAGE 01 STOCKH 00660 111626Z
ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-04 H-02 INR-07 L-03
NSAE-00 NSC-05 PA-02 PRS-01 SP-02 SS-15 USIA-15
AID-05 COME-00 EB-08 FRB-01 TRSE-00 XMB-04 OPIC-06
CIEP-02 LAB-04 SIL-01 OMB-01 STR-04 CEA-01 AGRE-00
/106 W

-----120230Z 009898 /75

R 111500Z FEB 77
FM AMEMBASSY STOCKHOLM
TO SECSTATE WASHDC 9780
INFO AMEMBASSY OSLO
AMEMBASSY HELSINKI
AMEMBASSY LONDON
USMISSION EC BRUSSELS
AMEMBASSY PARIS
AMEMBASSY BONN
AMEMBASSY OTTAWA
AMEMBASSY LUXEMBOURG
AMEMBASSY ROME
USMISSION OECD PARIS UNN

UNCLAS STOCKHOLM 0660

E.O. 11652: N/A
TAGS: EFIN, SW
SUBJECT: PRELIMINARY AGREEMENT REACHED ON SWEDEN'S \$1 BILLION
BORROWING

REFS: STOCKHOLM 516 AND 369 (NOTAL)

1. GOVERNMENT ANNOUNCED PRELIMINARY AGREEMENT ON \$1 BILLION
FOREIGN BORROWING ON FEBRUARY 10. AS REPORTED EARLIER, RATES
ON SEVEN-YEAR BORROWING WILL BE SEVEN-EIGHTHS ABOVE LIBOR
FOR FIRST FOUR YEARS. WE UNDERSTAND ADJUSTMENT OF LIBOR
BASE WILL BE SEMI-ANNUAL. AFTER FOUR YEARS, RATE WILL GO
TO ONE PERCENT ABOVE LIBOR. FIRST FOUR YEARS WILL ALSO BE
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AMORTIZATION FREE.

2. FOUR AMERICAN BANKS ARE AMONG THE CONSORTIUM OF 13:
BANKERS' TRUST, FIRST NATIONAL OF CHICAGO, MORGAN
GUARANTEE, AND CHEMICAL. OTHER FOREIGN BANKS ARE
CANADIAN IMPERIAL BANK OF COMMERCE, ROYAL BANK OF
CANADA, COMMERZBANK, DEUTSCHE BANK, DRESDENER BANK, AND

WESTDEUTSCHE LANDESBANK GIROZENTRALE. THREE LARGEST
SWEDISH BANKS ARE MANAGERS.

3. WE UNDERSTAND THAT MINIMUM TRANCHE FOR PARTICIPATION
WAS \$100 MILLION. THIS WOULD BE CONFIRMED BY PRESENCE
OF TEN FOREIGN BANKS IN CONSORTIUM. THIS MINIMUM, AND
FACT THAT TOTAL FEES AND COMMISSIONS FOR PARTICIPATING
BANKS WOULD NOT HAVE RAISED TOTAL RETURN UP TO THE
MINIMUM ONE PERCENT ABOVE LIBOR, PREVENTED PARTICIPATION
OF FOUR LARGE US BANKS WHICH WERE ALSO APPROACHED---
CHASE, CITIBANK, MANUFACTURES HANOVER TRUST AND BANK
OF AMERICA.
SMITH

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: AGREEMENTS, BANK LOANS, BANK RATES
Control Number: n/a
Copy: SINGLE
Sent Date: 11-Feb-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977STOCKH00660
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770050-0496
Format: TEL
From: STOCKHOLM
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770248/aaaabqie.tel
Line Count: 75
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 0f166ec7-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 77 STOCKHOLM 516
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 22-Oct-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3337111
Secure: OPEN
Status: NATIVE
Subject: PRELIMINARY AGREEMENT REACHED ON SWEDEN'S \$1 BILLION BORROWING
TAGS: EFIN, SW
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/0f166ec7-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009